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## Legalized Marijuana Verses Federal Regulations

The landscape of marijuana legalization in the United States presents a complex tapestry of state-level permissions against a backdrop of federal restrictions. While a growing number of states have embraced the legalization of marijuana for medical and recreational use, it remains classified as a Schedule I controlled substance under federal law, placing it alongside drugs deemed to have a high potential for abuse and no accepted medical use. This dichotomy creates a significant

policy gap and a source of legal ambiguity for individuals and businesses operating in states where marijuana is legal. The Controlled Substances Act (CSA) strictly regulates the manufacture, distribution, dispensation, and possession of marijuana, except in federally approved research studies. However, the federal enforcement of these regulations has been inconsistent, particularly in states that have legalized cannabis to varying degrees.

The tension between state and federal law is not just a theoretical issue; it has practical implications for businesses, especially those

in the banking sector, which must navigate the murky waters of compliance with conflicting regulations. For instance, businesses that legally sell cannabis in their state may struggle to access banking services due to federal laws that govern financial institutions. This situation often forces cannabis-related businesses to operate on a cash-only basis, which poses risks and challenges for both the businesses and the states trying to regulate and tax them effectively.

In recent years, there has been a push to reconcile these differences, with proposals to reschedule marijuana under the CSA, which would reduce the federal restrictions on its use and make it easier for states to manage their own marijuana policies. As of April 2024, the Drug Enforcement Administration (DEA) has proposed moving marijuana from Schedule I to Schedule III, which would acknowledge its potential medical use and lower its classification as a substance with a high potential for abuse.

Despite the federal government's slow movement towards reform, the trend at the state level continues to lean towards legalization. This evolving landscape reflects a shift in public opinion and an acknowledgment of the potential benefits of marijuana, including its medicinal properties and its role in criminal justice reform. As the legal status of marijuana continues to develop, it will be important for federal and state lawmakers to work together to create a coherent legal framework that respects the rights of states to set their own policies while ensuring that

federal laws are applied fairly and consistently  
across the country.